

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON AGRICULTURE, LIVESTOCK AND IRRIGATION

Call to Order: By **VICE CHAIRMAN PETE EKEGREN**, on February 14, 2001 at 3:30 P.M., in Room 422, Capitol.

ROLL CALL

Members Present:

Sen. Ric Holden, Chairman (R)
Sen. Pete Ekegren, Vice Chairman (R)
Sen. Mike Halligan (D)
Sen. Greg Jergeson (D)
Sen. Walter McNutt (R)
Sen. Arnie Mohl (R)
Sen. Linda Nelson (D)
Sen. Gerald Pease (D)
Sen. Corey Stapleton (R)
Sen. Jon Tester (D)
Sen. Tom Zook (R)

Members Excused: None.

Members Absent: None.

Staff Present: Laramie Cumley, Committee Secretary
Doug Sternberg, Legislative Services

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 363 1/31/01
SB 389 2/5/01
Executive Action: SB 326
SJR 7

EXECUTIVE ACTION ON SB 363

Sponsor: SEN. JON TESTER, SD 45, BIG SANDY

Proponents:

Gilles Stockton, Northern Plains Resource Council

Art Loendorf, Montana Farmers Union
Carol Lambert, Women Involved in Farm Economics
Ron Jensen, Campaign on Reclaiming Rural America
Chet Kinsey, Representing himself
Lloyd DeBruncker, R-CALF
Rick Berg, Representing himself
Hank Zell, Representing himself
Darrell Holzer, AFL-CIO

Opponents:

Kathleen Martin, Montana Department of Public Health and Human Services
Mark Bridges, Montana Board of Livestock
John Bloomquist, Montana Stockgrowers Association
John Semple, Montana Cattlemomens' Association
John Youngberg, Montana Farm Bureau
Ralph Peck, Montana Department of Agriculture

Opening Statement by Sponsor:

SEN. JON TESTER, SD 45, BIG SANDY briefly explained SB 363, a pilot program for testing raw agricultural products imported from foreign countries for pesticide residues and determine if it is in the states best interest to petition the Environmental Protection Agency and followed by explaining the bill by section.

- 1) explains how the program would be operated sampling and testing of raw products for pesticides which exceed limits that currently exist.
- 2) the authority to adopt rules
- 3) explains the pesticide importation testing account special revenue fund.
- 4) explains the sampling procedures.
- 5) explains violations
- 6) discussed the pilot program, reporting to Environmental Quality Council regarding what may have been found where it may have come from, recommendations to improve compliance, and finally, recommendation to petition the Environmental Protection Agency. Certificate issuance, and wavers regarding outbreaks in the last five years.
- 7) explains the exemptions
- 8) explains codification instruction
- 9) explains effective date.
- 10) explains the termination date.

Proponents' Testimony:

Gilles Stockton, Northern Plains Resource Council presented written testimony. **EXHIBIT**(ags37a01)

Art Loendorf, Montana Farmers Union presented written testimony.
EXHIBIT(ags37a02)

Carol Lambert, Women Involved in Farm Economics read her organizations policy supporting this bill: "WIFE supports the same strict standards on all imported food products as there are on U.S. food products and that they be labeled as to the point of origin throughout the food distribution process."

Ron Jensen, Campaign on Reclaiming Rural America Mr. Jensen lives in Toole County and his home is on Highway 2. He stated that he watches trucks traveling over the border loaded with various livestock and grains that are also loaded with pesticides that are allowed in Canada but not in the U.S. If these pesticides can not be used in Montana they should not be imported on a product.

Chet Kinsey, Representing himself spoke about pesticides and insecticides being used on our food and how it is a disaster and a health concern. Mr. Kinsey commented that all farmers should support this bill because the use of those chemicals affect the competitive market. He also expressed feelings that this country is letting itself be poisoned and that this is not fair because farmers from other countries are not required to meet the same standards as the farmers in the U.S.

Lloyd DeBruycker, R-CALF stated that everyone should be informed on the safety of products for families. With the BSE scare and the drastic reduction in beef consumption in Europe due to mad cow disease, the U.S. has been affected although there is no BSE. January and February cattle sales could be reviewed to see that the industry had dropped off drastically because of the BSE scare. This bill is to ensure the safety of all imported products which could hurt the North West Pilot Program although not everyone is in favor of it. **Mr. DeBruycken** also stated that non-vaccinated heifers cannot imported out of North Dakota, South Dakota, Wyoming, or Idaho but they can be imported from Canada which is not fair or safe.

Rick Berg, representing himself, explained that he feels that this is reckless policy and there is no more important issue than the cattle industry in Montana. Montana is sensitive because of the Yellowstone Buffalo infected with brucellosis in the past. This brucellosis-free status is very important. **Mr. Berg** stated that endangering this status in the name of free trade is irresponsible policy and he said that he was asking to help to protect the health and integrity of Montana cattle.

Hank Zell, representing himself commented that this bill would bring harmonization on a federal level as well as between the

U.S. and Canada. He said that by even having the issue in the news, it would help the progress of the fairness of trade between the two countries. He noted that other countries are very protective of their markets and are concerned and educated about drugs, who is using them and what they do not want in their countries.

Darrell Holzer, Montana State AFL-CIO, offered support for SB 363 and stated that preserving the quality and integrity of the food products is the most important issue to Montanans. **Mr. Holzer** understood the cost of this proposal and explained that if a problem was found as a result of this program and quickly eradicated, it could possibly be the best money ever spent.

Opponents' Testimony:

Kathleen Martin, Bureau Chief of Communicable Disease Control and Prevention Bureau in the Department of Public Health and Human Services, stated that part of the Bureau is the Food and Consumer Safety Section that administers the Food, Drug and Cosmetic Act. This bill requires her staff to implement a pilot program to determine if raw products follow the Food, Drug and Cosmetic Act. **Ms. Martin** said their opposition would have to be conveyed by explaining the way the program is currently implemented and how international trade and food is regulated. This act gives the department the authority to identify and deal with adulterated foods in Montana. She said that local food service establishments, processors and operators are inspected by the department this food is disposed of to prevent its entry into the public. Also processors who engage in interstate commerce are inspected by testing the products. She noted that grains can be tested currently without this legislation. The food and drug administration already tests these products at the state borders. **Ms. Martin** commented that even if SB 363 were to pass, the food and drug administration rules would still need to be followed when engaged in international commerce. There are certain things that would be out of jurisdiction, she explained, such as grains passing through Montana and the standards would be stricter for grain mills. **Ms. Martin** went further to say that there were also technical concerns involved in their reasoning for opposition of this bill. She referred to section three of the bill stating that the special revenue account does not show any revenue being deposited into the account. Secondly, in section five regarding enforcement, she stated that it seems unclear and suggested corrective action opportunities. Section six was also discussed, and she explained that in the last five years there has not been one country in the world that has not had an outbreak of an infectious or contagious disease. In closing, **Ms. Martin** said that if this legislation is passed, the contract that is in place

presently with the food and drug administration would be negatively affected.

Marc Bridges, Montana Board of Livestock, referred to section seven of the bill and explained that there are no available tests for certain drugs, the cost of testing may be more than the worth of the animal and the results of these tests may take months to be received. He also said that veterinarians do not always administer all medications therefore, it would be nearly impossible to verify if the imported animal had been administered a disallowed drug and the importation of these animals would be prohibited. He also referred to the five year outbreak portion of the bill and explained that there are numerous infectious diseases that can be treated and would no effect to other animals. A rival situation may result between Montana and other countries due to the regulations in SB 363.

John Bloomquist, Montana Stockgrowers Association, also referred to the language in Section 7 as being too broad and stated that the bill would jeopardize the Northwest Project.

John Semple, Montana Cattlewomen, stood in support of the bill.

John Youngberg, Montana Farm Bureau, commented that this may not be needed because the trucks going through Montana would not be subject to the rules and regulations in the bill anyway. He then added "don't spit on the shoes of the guys you want to do business with."

Ralph Peck, Director of the Department of Agriculture, stated that these tests are too expensive and complex to test for all pesticides because the field is so broad that it is very hard to determine where to start. **Mr. Peck** also noted that although the department is working with Canada to harmonize and create equal standards, this process is moving very slowly and this bill would cause a Pandora's box effect.

Questions from Committee Members and Responses:

SEN. HALLIGAN asked if the Department of Health and Human Services had the ability to analyze the grains presently.

Kathleen Martin said a component could be included into the contract with the Food and Drug Administration to cover the inspection of grain importers and the grains would then need to be analyzed through the Department of Agriculture or the FDA lab.

SEN. HALLIGAN questioned the potential need for more employees to do these things. **Kathleen Martin** replied that additional employees would not be required because if the grains were tested

by the FDA, the cost of testing would be covered in the present contract, this cost would not be covered if the testing were done at the Department of Agriculture.

SEN. HALLIGAN inquired about fees. **Kathleen Martin** stated that they have no jurisdiction inspecting live animals although other products may be inspected despite the fact that it is difficult to stop trucks anywhere to inspect.

SEN. HALLIGAN asked if the contract with the FDA could be amended. **SEN. TESTER** replied that this issue is regarding implementation and that the concern was not with the way things were done, just so it was done.

SEN. NELSON asked why the fiscal note was not signed by the sponsor. **SEN. TESTER** noted that the Department of Public Health and Human Services had a position opening for a person who could perform these duties although he was unsure of their new budget.

SEN. ZOOK asked how important the Northwest Pilot Program was to Montana producers. **John Bloomquist** stated that this was first an effort between Montana and Canadian producers to recognize the growing feeding and packing industry in Canada. This program has helped Montana become closer to feeding and packing industry. He said that a significant number of cattle are being shipped to Canada and these numbers are growing and with that, the prices are more beneficial to producers.

SEN. STAPLETON questioned the risks and rewards of this program.

SEN. TESTER stated that federal regulations which are already in the books, are what is being tested. He commented that in Montana these things are not tested for at all or this testing is very limited. This is just to ensure that these regulations are being followed and that the standards need to be harmonized with other countries.

SEN. STAPLETON discussed the program and the possibility of it lasting for two and a half years instead of only two. **SEN. TESTER** discussed the grants that are available and also FDA funding.

Closing by Sponsor:

SEN. TESTER closed SB 363 by stating that he did not want to hurt Montana agriculture but on the same note, there are people that this may help. He then asked the committee "does Canada have something to hide?" and he also asked if they are subsidizing so prices are cheaper? **SEN. TESTER** commented value would be added to Montana if these cattle could be fed in the state. He stated that he thought that there was FDA funding available.

HEARING ON SB 389

Sponsor: SEN. JOHN COBB, SD 25, AUGUSTA

Proponents: Art Loendorf, Montana Farmers Union

Opponents: none

Opening Statement by Sponsor:

SEN. JOHN COBB opened SB 389 by stating that this is an act to implement crop insurance programs so that fire insurance could be offered as an option when providing hail insurance. He said that in present law, the two are automatically put together.

Proponents' Testimony:

Art Loendorf stood in support of the bill.

Opponents' Testimony:

Questions from Committee Members and Responses:

SEN. STAPLETON asked if this would be difficult to adjust. SEN. COBB stated that these adjustments are already being done.

SEN. STAPLETON questioned Mari Gray from the State Auditors office and also Jay Conley, an insurance agent from Great Falls regarding the cost effectiveness, rates, premiums, and again adjustments. Jay Conley stated that the adjustments are easy and the rate for fire is 1%. Fires are a very minimal situation.

SEN. HOLDEN asked Mr. Conley if this legislation would take business away from him. Mr. Conley said that the loss would be insignificant.

SEN. ARNIE MOHL questioned why this bill has a fiscal note. SEN. COBB stated that the reason for the fiscal note was so that there could be a review of this issue.

Closing by Sponsor:

SEN. COBB stated that "the privates are doing this, can the state do it too."

EXECUTIVE ACTION ON SB 326

Motion: SEN. ZOOK moved SB 326 BE TAKEN OFF OF THE TABLE.

Vote: Motion carried unanimously.

Discussion:

The committee discussed possible amendments to the bill and **Doug Sternberg** explained that the amendment, among other things, would remove funding sources from the bill except for the highway funding. **SEN. HOLDEN** asked for sections 5 through 7 to be struck in their entirety.

Motion: SEN. EKEGREN moved that AMENDMENT BE ADOPTED.

Discussion: SEN. MOHL explained that the funding from the highway program for this bill takes away jobs and that this would be killing a program that is working.

Substitute Motion: SEN. MOHL made a substitute motion THAT FUNDING NOT BE TAKEN FROM THE HIGHWAY PROGRAM.

Doug Sternberg explained that with this proposed amendment would leave an unfunded framework of the bill.

Motion: SEN. MOHL WITHDREW HIS SUBSTITUTE MOTION.

Vote: Motion carried with Halligan voting no.

Motion: SEN. MOHL made a substitute motion to AMEND THE BILL WITH, "HIGHWAY FUNDING" STRICKEN.

SEN. NELSON said that this bill was a good idea although the finances are not well funded.

SEN. MOHL suggested taxing fuel 0.4% to fund this program.

Substitute Motion: SEN. NELSON moved that SB 326 BE TABLED. **Vote:** Motion carried unanimously.

EXECUTIVE ACTION ON SJ 7

Motion/Vote: SEN. TESTER moved to DRAFT A LETTER RE: SJ 7 FOR GOV. MARTZ. Motion carried unanimously.

motion/Vote: SEN. TESTER moved that SJ 7 BE TABLED. Motion carried unanimously.

ADJOURNMENT

Adjournment: 5:00 P.M.

SEN. RIC HOLDEN, Chairman

LARAMIE CUMLEY, Secretary

RH/LC

EXHIBIT (ags37aad)